

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

(Audited Financial Statement and Other Information)

RUSTON, LOUISIANA

DECEMBER 31, 2011

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

RUSTON, LOUISIANA

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REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the financial performance of Ruston-Lincoln Convention and Visitors Bureau provides an overview of the Bureau's financial activities for the fiscal years ended December 31, 2011 and 2010. Please read it in conjunction with the Bureau's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Bureau as a whole. Fund financial statements start on Page 5. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Bureau's operations in more detail than the government-wide statements by providing information about the Bureau's most significant funds. The accompanying financial statements present information only on the funds maintained by the Bureau.

Reporting the Funds Maintained by the Bureau as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the funds maintained by the Bureau as a whole begins on Page 3. The Statement of Net Assets and the Statement of Activities report information about the funds maintained by the Bureau as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting.

These two statements report the Bureau's *net assets* and changes in them. The Bureau's net assets - the difference between assets and liabilities - is one way to measure the Bureau's financial health, or *financial position*. Over time, *increases or decreases* in the Bureau's net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we record the activities in the funds maintained by the Bureau as governmental and proprietary fund activities.

Governmental activities - expenses related to, and resources provided for, the solicitation and servicing of conventions and visitor activities.

Proprietary Fund - is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Reporting the Most Significant Funds Maintained by the Bureau

Our analysis of the major funds maintained by the Bureau begins on Page 5. The fund financial statements provide detailed information about the most significant funds maintained by the Bureau - not necessarily the Bureau as a whole. The Bureau's funds use the following accounting approaches.

Governmental fund - All of the Bureau's expenses are reported in a governmental fund, which focuses on how money flows into and out of this fund and the balances left at year-end that are available for spending. This fund is reported using an accounting method called *modified accrual basis*. The governmental fund statements provide a detailed *short-term view* of the Bureau's operations and the expenses paid from the fund. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Bureau expenses.

THE FUNDS MAINTAINED BY THE BUREAU AS A WHOLE

The Bureau's total net assets changed from a year ago, increasing from \$797,301 to \$907,148. This increase amounted to \$109,847, or 13.78%. The increase in revenue is a result of increased tax collections.

Table 1
Net Assets

	<u>Government-Wide Activities</u>	
	<u>2011</u>	<u>2010</u>
Current assets	240,221	255,598
Other assets	14,469	17,022
Capital assets, net	<u>1,962,475</u>	<u>2,030,328</u>
Total assets	2,217,165	2,302,948
Current liabilities	200,017	200,647
Long-term liabilities	<u>1,110,000</u>	<u>1,305,000</u>
Total liabilities	1,310,017	1,505,647
Net assets:		
Unrestricted/undesignated	249,673	256,973
Investment in general fixed assets, net of related debt	<u>657,475</u>	<u>540,328</u>
Total net assets	<u>907,148</u>	<u>797,301</u>

Table 2
Changes in Net Assets

	<u>Government-Wide Activities</u>	
	<u>2011</u>	<u>2010</u>
Revenues		
Government	429,245	405,877
Business-type	185,000	180,000
Interest	2,006	2,750
Other	<u>195,978</u>	<u>207,125</u>
Total revenues	812,229	795,752
Expenses		
Government	702,382	700,938
Business-type	<u>-</u>	<u>-</u>
	<u>702,382</u>	<u>700,938</u>
Increase in net assets	<u>109,847</u>	<u>94,814</u>

CAPITAL ASSETS

At the end of 2011, the Bureau had invested \$1,962,475 in capital assets from those funds maintained by the Bureau.

Table 3
Capital Assets At Year End

	<u>Government-Wide Activities</u>	
	<u>2011</u>	<u>2010</u>
Building	1,636,569	1,636,569
Construction in progress	-	-
Land	414,576	414,576
Furniture and equipment	174,089	174,089
<u>Less-accumulated depreciation</u>	<u>(262,759)</u>	<u>(194,906)</u>
	<u>1,962,475</u>	<u>2,030,328</u>

FUTURE OPERATIONS

The Bureau derives the majority of its revenue from two main sources. At the local level, the Bureau receives revenue through the Lincoln Parish Police Jury on the Lodging Tax assessed and collected on hotel/motel revenue. On the state level, the Bureau receives revenue from the State of Louisiana as an allocation of the state sales tax allocated to Lincoln Parish. The Bureau does not expect any major fluctuations in these revenues in the succeeding year. In prior years, the Bureau began the acquisition of financing and planning the construction of a new Convention and Visitor's Center. The commencement of construction and placement in service of the Convention and Visitor's Center was completed in the spring of 2008. The completion of the new facility substantially increased the capital assets of the Bureau, while providing a new and spacious facility for the Bureau to operate on a daily basis, as well as providing a venue for convention and visitors to the area. There were no material capital asset acquisitions in 2011 and 2010.

CONTACTING THE BUREAU'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the finances for those funds maintained by the Bureau and to show the Bureau's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Ruston-Lincoln Convention and Visitors Bureau, 2111 North Trenton Street, Ruston, Louisiana 71270.

AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

—LLC—

CERTIFIED PUBLIC ACCOUNTANTS

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June 22, 2012

To the Board of Directors
Ruston-Lincoln Convention and Visitors Bureau
Ruston, Louisiana

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, business-type activities, the major fund and the aggregate remaining fund information of the Ruston-Lincoln Convention and Visitors Bureau, as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the Ruston-Lincoln Convention and Visitors Bureau as listed in the table of contents. These financial statements are the responsibility of the Ruston-Lincoln Convention and Visitors Bureau's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the major fund, and the aggregate remaining fund information of the Ruston-Lincoln Convention and Visitors Bureau, as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2012, on our consideration of the Ruston-Lincoln Convention and Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the supplementary information on Pages i-iii and Pages 17-19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Shreveport, Louisiana

Heard, McElroy & Vestal, LLC

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF NET ASSETS

DECEMBER 31, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets:</u>			
Cash and cash equivalents	189,045	-	189,045
Certificates of deposit	-	-	-
Accounts receivable	24,991	-	24,991
Prepaid expenses	26,185	-	26,185
Bond issue costs-net	14,469	-	14,469
Fixed assets, net of accumulated depreciation	<u>1,962,475</u>	<u>-</u>	<u>1,962,475</u>
Total assets	<u>2,217,165</u>	<u>-</u>	<u>2,217,165</u>
<u>Liabilities and net assets:</u>			
<u>Liabilities:</u>			
Accounts payable	-	-	-
Accrued payroll liabilities	5,017	-	5,017
Bonds payable	<u>1,305,000</u>	<u>-</u>	<u>1,305,000</u>
Total liabilities	1,310,017	-	1,310,017
<u>Net assets:</u>			
Unrestricted/undesignated	249,673	-	249,673
Investment in general fixed assets, net of related debt	<u>657,475</u>	<u>-</u>	<u>657,475</u>
Total net assets	<u>907,148</u>	<u>-</u>	<u>907,148</u>
Total liabilities and net assets	<u>2,217,165</u>	<u>-</u>	<u>2,217,165</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Function/Program Activities</u>				
<u>Governmental Activities:</u>				
Operating expenditures	702,382	195,978	-	-
<u>Business-Type Activities:</u>				
Enterprise Fund	-	185,000	-	-
	<u>702,382</u>	<u>380,978</u>	<u>-</u>	<u>-</u>
General Revenues:				
Lodging Tax Collections				
Interest Earned				
Transfers				
Total General Revenues				
Changes in Net Assets				
Net Assets-Beginning				
Net Assets-Ending				

The accompanying notes are an integral part of the financial statements.

<u>Net (Expense) Revenue and Changes in Net Assets</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
(506,404)	-	(506,404)
<u>-</u>	<u>185,000</u>	<u>185,000</u>
(506,404)	185,000	(321,404)
429,245	-	429,245
-	2,006	2,006
<u>187,006</u>	<u>(187,006)</u>	<u>-</u>
<u>616,251</u>	<u>(185,000)</u>	<u>431,251</u>
109,847	-	109,847
<u>797,301</u>	<u>-</u>	<u>797,301</u>
<u>907,148</u>	<u>-</u>	<u>907,148</u>

FUND FINANCIAL STATEMENTS

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BALANCE SHEET-GOVERNMENTAL FUNDS

DECEMBER 31, 2011

<u>A S S E T S</u>	<u>General Fund</u>
Cash and cash equivalents	189,045
Certificates of deposit	-
Accounts receivable	24,991
Prepaid expenses	26,185
Bond issue costs-net	<u>14,469</u>
Total assets	<u>254,690</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>Liabilities:</u>	
Accounts payable	-
Accrued payroll liabilities	<u>5,017</u>
Total liabilities	<u>5,017</u>
<u>Fund balance:</u>	
Spendable:	
Unassigned	<u>249,673</u>
Total liabilities and fund balance	<u>254,690</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2011

<u>Total Governmental Fund Balances</u>	249,673
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,962,475
Obligations in governmental activities that do not require current financial resources are not reported in the funds	<u>(1,305,000)</u>
<u>Net assets of Governmental Activities</u>	<u>907,148</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General Fund</u>
<u>Revenues:</u>	
Lodging tax collections	429,245
Other revenues	<u>195,978</u>
Total revenues	625,223
<u>Expenditures:</u>	
Accounting/audit	7,930
Advertising	88,097
Auto expense	13,415
Bond principal and interest	244,749
Brochure distribution	-
Collection administration	2,481
Dues and subscriptions	4,813
Grants	149,163
Hospitality and tourism awareness	1,953
Jam at the Joe	40,567
LHSAA state baseball	34,625
Miscellaneous expenses	3,543
Office supplies and expense	5,631
Operating expenses	22,621
Payroll expense	140,398
Payroll taxes	9,997
Postage	1,087
Promotional fees	3,298
Retirement match	17,010
Staff training	1,750
Telephone	8,503
Travel-air	711
Travel-lodging	4,796
Travel-meals and entertainment	2,472
Utilities	<u>9,919</u>
Total expenditures	<u>819,529</u>
<u>(Deficiency) of revenues over expenditures</u>	(194,306)

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>General Fund</u>
<u>Other financing sources (uses):</u>	
Operating transfers-interest	2,006
Debt service transfers-principal	<u>185,000</u>
<u>Excess (deficiency) of revenues and other sources over expenditures and other uses</u>	(7,300)
<u>Fund balances, beginning</u>	<u>256,973</u>
<u>Fund balances-ending</u>	<u>249,673</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
RECONCILIATION OF NET CHANGE IN FUND BALANCES-GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Net Change in Fund Balances - Total Governmental Funds</u>	(7,300)
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Amounts reported for governmental activities in the statements of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital assets purchases capitalized	-
Depreciation expense	(67,853)

Business funds report the transfer in of funds to service the debt payment, and the expenditures to pay the debt over the life of the bond issue:

Debt service principal	<u>185,000</u>
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<u>Change in Net Assets in Governmental Activities</u>	<u>109,847</u>
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The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BALANCE SHEET-PROPRIETARY FUND

DECEMBER 31, 2011

	Business-Type Activities Enterprise Fund
<u>Assets:</u>	
Cash and cash equivalents	-
Certificates of deposit	-
Total assets	-
<u>Liabilities and fund balance:</u>	
Liabilities	-
<u>Net assets:</u>	
Accumulated earnings	-
Total liabilities and net assets	-

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS-
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-Type Activities Enterprise Fund
<u>Revenues:</u>	
Operating transfers in	185,000
<u>Expenditures:</u>	
Special appropriations	<u>(185,000)</u>
<u>Operating income</u>	-
<u>Nonoperating revenues:</u>	
Interest income	2,006
<u>Other financing resources (uses):</u>	
Operating transfers out	<u>(2,006)</u>
<u>Change in net assets</u>	-
<u>Net assets, beginning</u>	<u>-</u>
<u>Net assets, ending</u>	<u>-</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

STATEMENT OF CASH FLOWS-

PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-Type Activities Enterprise Fund
<u>Increase in cash and cash equivalents:</u>	
<u>Cash flows from operations:</u>	
Transfer to General Fund	185,000
Payments to provide services	<u>(185,000)</u>
Net cash provided by operating activities	-
<u>Cash flows from investing activities:</u>	
Interest income	<u>2,006</u>
Net cash provided by investing activities	2,006
<u>Cash flows from noncapital financing activities:</u>	
Transfer to General Fund	<u>(2,006)</u>
Net cash (used) by noncapital financing activities	<u>(2,006)</u>
<u>Net (decrease) in cash and cash equivalents</u>	-
<u>Cash and cash equivalents, beginning of year</u>	<u>-</u>
<u>Cash and cash equivalents, end of year</u>	<u>-</u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>	
Operating income	<u>-</u>
Net cash provided by operating activities	<u>-</u>

The accompanying notes are an integral part of the financial statements.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

1. Summary of Significant Accounting Policies

The Ruston-Lincoln Convention and Visitors Bureau (the Bureau) was created by the Lincoln Parish Police Jury for the purpose of representing the business and civic community on an organized and nonprofit basis for the solicitation and servicing of conventions and for the promotion of visitor activity within Lincoln Parish.

The Bureau complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Basis of Presentation

In June 1999, the GASB unanimously approved **Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments**. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the Bureau's overall financial position and results of operations and financial statements prepared using full accrual accounting for all fund activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. The Bureau considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end.

Principal revenue sources considered susceptible to accrual include hotel and motel taxes levied by the Lincoln Parish Police Jury and state sales tax allocated to Lincoln Parish by the State of Louisiana. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Bureau's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period.

1. Summary of Significant Accounting Policies (Continued)

Other revenues are considered to be measurable and available only when cash is received by the Bureau. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. A fund is considered major if it is the primary operating fund of the Bureau or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Proprietary Fund Financial Statements – The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements described above.

Each proprietary fund has the option under **Governmental Accounting Standards Board (GASB), Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting***, to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Bureau's enterprise fund has elected not to apply FASB issued after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Accounting

The financial activities of the Bureau are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Bureau uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Fund Equity in Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning in 2011, the Bureau implemented **GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions***. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Non-spendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being non-spendable as this item is not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources that are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

1. Summary of Significant Accounting Policies (Continued)

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Bureau's board of directors, which is the Bureau's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Bureau did not have any committed resources as of year-end.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Bureau's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the administrator, that has the authority to assign amounts to be used for specific purposes.

The Bureau did not have any assigned resources as of year-end.

- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Bureau would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Governmental Funds

General Fund – This fund accounts for all activities of the Bureau not specifically required to be accounted for in other funds.

Proprietary Funds

Enterprise Fund – The Enterprise Fund is used mainly for the transfer of funds and expenditure of funds for payment of the debt service. It is also used for tourism purposes, including the promotion of fairs and festivals in Lincoln parish, and for economic development in Lincoln Parish as provided by Act 983 of the 1992 Regular Legislative Session.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. **Summary of Significant Accounting Policies** (Continued)

Budgeting Procedures

Budgets for the Ruston-Lincoln Convention and Visitors Bureau are prepared by the President and his staff as part of the Bureau's annual planning and budgeting process. The budget is then adopted by the Board of Commissioners. The planning and budgeting process activities encompass a time frame of twelve (12) months to coincide with each fiscal year.

Unexpended budget balances lapse at year end. The Bureau's Board of Commissioners has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements as originally adopted and as amended by the Board. The Board of Commissioners is nominated, elected, and approved by the existing Board members, and members terms vary in duration depending upon the Bureau's needs and Board of Commissioners willingness to serve.

Cash and Cash Equivalents

Cash includes demand deposits, money market accounts and certificates of deposit with maturity dates of three months or less from the end of the year. Under state law, the Bureau may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. Further, the Bureau may invest in the time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Valuation of Carrying Amounts of Deposits

Cash is reported at net book value – the year end bank balance plus any deposits in transit and less any outstanding checks that have not cleared the banks as of that date.

Fund Equity

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2011.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

2. **Cash**

At year end, the carrying amount (book amount) of the Bureau's cash and cash equivalents was \$189,045. Not included in cash equivalents are certificates of deposit held at a local financial institution, with a total value of \$-0-. Such deposits are held in financial institutions insured by the FDIC, and management reviews the safety and soundness of such institutions in its efforts to mitigate credit risk.

3. **Property and Equipment**

Capital asset activity for the year ended December 31, 2011 is as follows:

3. **Property and Equipment** (Continued)

	Balance 12-31-10	Additions	Disposals	Transfers	Balance 12-31-11
Depreciable assets:					
Building	1,636,569	-	-	-	1,636,569
Land	414,576	-	-	-	414,576
Furniture and equipment	174,089	-	-	-	174,089
Construction in progress	-	-	-	-	-
	<u>2,225,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,225,234</u>
Less-accumulated depreciation	<u>(194,906)</u>	<u>(67,853)</u>	<u>-</u>	<u>-</u>	<u>(262,759)</u>
Net fixed assets	<u>2,030,328</u>	<u>(67,853)</u>	<u>-</u>	<u>-</u>	<u>1,962,475</u>

Depreciation expense for the year ended December 31, 2011 was \$67,853.

4. **Investments**

The Bureau had no investments at December 31, 2011.

5. **Accounts Receivable**

The accounts receivable at December 31, 2011 is as follows:

Trade accounts receivable	1,500
Lodging tax collections	23,491
Accrued interest	<u>-</u>
Total	<u>24,991</u>

Based on prior experience, the uncollectible receivables are considered immaterial, thus no provision has been made for such loss in these financial statements.

6. **Litigation and Claims**

The Lincoln Parish Convention and Visitors Bureau had no pending or threatened litigation as of December 31, 2011.

7. **Bond Payable**

As of June 28, 2007, the Board of Directors of the Ruston-Lincoln Convention and Visitors Bureau issued Revenue Bonds, Series 2007 for the purposes of providing funds to pay for the construction of a Visitors Center and Office Complex. The Complex is occupied by the Ruston-Lincoln Convention and Visitors Bureau and the Ruston-Lincoln Chamber of Commerce staff. The following is a summary of bond payable at December 31, 2011.

Ruston-Lincoln Convention and Visitors Bureau, Revenue Bonds Series 2007, bearing interest at 4.10%, principal payments begin July 1, 2008 and final maturity July 1, 2017	2,000,000
Less: Original issue discount	-
Principal payments-prior periods	(510,000)
Principal payments-current year	<u>(185,000)</u>
Total bonds payable	<u>1,305,000</u>

7. **Bond Payable (Continued)**

The annual debt service requirement to maturity, including principal only, for bonds payable as of December 31, 2011 are as follows:

2012	195,000
2013	205,000
2014	215,000
2015	220,000
2016	230,000
2017	<u>240,000</u>
	<u>1,305,000</u>

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Variance With Final Budget</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Lodging tax collections	435,750	435,750	429,245	(6,505)
Other revenues	175,000	155,000	195,978	40,978
Interest income	500	250	-	(250)
Total revenues	<u>611,250</u>	<u>591,000</u>	<u>625,223</u>	<u>34,223</u>
<u>Expenditures:</u>				
Accounting/audit	8,000	8,000	7,930	70
Advertising	82,276	86,951	88,097	(1,146)
Auto expense	10,300	11,300	13,415	(2,115)
Board retreat	-	-	-	-
Brochure distribution	-	-	-	-
Collection administration	4,000	4,000	2,481	1,519
Community support	1,000	1,500	-	1,500
Debt service	244,749	244,749	244,749	-
Dues and subscriptions	4,125	4,250	4,813	(563)
FAM tours	1,000	1,000	-	1,000
Grants	140,000	140,000	149,163	(9,163)
Hospitality and tourism awareness	1,000	2,000	1,953	47
Miscellaneous	107,500	75,000	78,735	(3,735)
Office supplies and expenses	4,000	4,500	5,631	(1,131)
Operating expenses	44,250	44,250	22,621	21,629
Parish park contributions	-	-	-	-
Personnel expenses	148,800	153,000	150,395	2,605
Postage	1,500	1,000	1,087	(87)
Promotional fees	3,000	3,000	3,298	(298)
Registration fees, trade shows, marketing	-	-	-	-
Retirement match	-	-	17,010	(17,010)
Staff training	1,750	1,000	1,750	(750)
Telephone and utilities	-	-	18,422	(18,422)
Travel-air	-	500	711	(211)
Travel-lodging	2,500	3,000	4,796	(1,796)
Travel-meals and entertainment	<u>1,500</u>	<u>2,000</u>	<u>2,472</u>	<u>(472)</u>
Total expenditures	<u>811,250</u>	<u>791,000</u>	<u>819,529</u>	<u>(28,529)</u>

The accompanying notes are an integral part of this schedule.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Variance With Final Budget</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Favorable (Unfavorable)</u>
<u>Excess (deficiency) of revenues over expenditures</u>	(200,000)	(200,000)	(194,306)	5,694
<u>Other financing sources:</u>				
<u>Operating transfers in</u>	<u>200,000</u>	<u>200,000</u>	<u>187,006</u>	<u>(12,994)</u>
<u>Excess of revenues and other sources over expenditures</u>	-	-	(7,300)	(7,300)
<u>Fund balance at beginning of year</u>	<u>-</u>	<u>-</u>	<u>256,973</u>	<u>53,289</u>
<u>Fund balance at end of year</u>	<u>-</u>	<u>-</u>	<u>249,673</u>	<u>45,989</u>

The accompanying notes are an integral part of this schedule.

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2011

Budgeting Procedures

Budgets for the Ruston-Lincoln Convention and Visitors Bureau are prepared by the President and his staff as part of the Bureau's annual planning and budgeting process. The budget is open to a public hearing on the proposed budget, and then after all actions necessary to finalize and implement the budget, the budget is then adopted by the Board of Directors. The planning and budgeting process activities encompass a time frame of twelve (12) months to coincide with each fiscal year, and is adopted prior to the beginning of each new fiscal year.

Unexpended budget balances lapse at year end. The Bureau's Board of Directors has the authority to make changes or amendments within various budget classifications. Budgeted amounts are presented in the financial statements as originally adopted and as amended by the Board, and amendments to the budget follow the same procedures and process as the original budget.

The Bureau follows these above procedures in establishing the budgetary data which is reflected in the accompanying financial statements.

OTHER REPORTS

HEARD, McELROY, & VESTAL

—LLC—

CERTIFIED PUBLIC ACCOUNTANTS

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June 22, 2012

To the Board of Directors
Ruston-Lincoln Convention and Visitors Bureau
Ruston, Louisiana

**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

We have audited the accompanying financial statements of the governmental activities, business-type activities, the major fund and the aggregate remaining fund information of the Ruston-Lincoln Convention and Visitors Bureau, as of and for the year ended December 31, 2011, and have issued our report thereon dated June 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Ruston-Lincoln Convention and Visitors Bureau is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Ruston-Lincoln Convention and Visitors Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ruston-Lincoln Convention and Visitors Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Ruston-Lincoln Convention and Visitors Bureau's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

HMV

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ruston-Lincoln Convention and Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, the State of Louisiana Legislative Auditor, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Heard, McElroy, Vestal, LLC

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Ruston-Lincoln Convention and Visitors Bureau.
2. No material weaknesses relating to the audit of the basic financial statements are reported.
3. No instance of noncompliance material to the basic financial statements of Ruston-Lincoln Convention and Visitors Bureau was disclosed during the audit.
4. Ruston-Lincoln Convention and Visitors Bureau was not subject to a Federal Single Audit for the year ended December 31, 2011.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

No findings were reported for the **current** year.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

Not applicable

RUSTON-LINCOLN CONVENTION AND VISITORS BUREAU

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2011

No findings were reported for the prior year.